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Annual statistical report on the procurement activities of the United Nations system, 2009: goods and services, international project personnel, United Nations volunteers, and fellowships

Summary

The Executive Director of UNOPS submits the present report on United Nations system procurement data to the Executive Board, pursuant to its decision 2007/38. The complete report may be obtained in the language of submission from the Executive Board secretariat at the United Nations Global Marketplace site. The report provides details on United Nations system procurement by country of supply.

Total United Nations system procurement under all sources of funding during 2009 was $13.8 billion, which represents an increase of $203 million over the previous year. The share of procurement from developing countries increased by 3.6 percentage points, to 54.9 per cent.

The complete 2009 report contains:

(a) An executive summary featuring a trend analysis of United Nations procurement from developing countries and countries with economies in transition;

(b) Analysis of United Nations contracts placed with companies that are signatories to the Global Compact of the United Nations;

(c) Tables listing combined United Nations system procurement, by country of supply;

(d) Tables listing procurement, by individual United Nations organization and by country of supply;

(e) Summary sheets on procurement from countries which are members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development;

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(f) Summary sheets on procurement from the top 20 developing countries and countries with economies in transition;

(g) The top 10 goods and services procured by the United Nations system;

(h) A comparative analysis of the agency share of Goods and Services categories procured by United Nations agencies;

(i) A section covering major goods and services (over $30,000) procured by the United Nations system;

(j) A summary of project personnel, by nationality;

(k) A supplement with a thematic focus on emerging issues in procurement from developing countries, providing an overview of the international debate on the subject, case studies and contributions from practitioners and experts.

Elements of a decision

The Executive Board may wish to take note with appreciation of the annual statistical report on the procurement activities of the United Nations system of organizations (DP/2010/42) and welcome the data presentation and analysis contained therein, as well as the relevance of the thematic supplement

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I. Introduction

1. The annual statistical report on the procurement activities of the United Nations system in 2009 was prepared by the United Nations Office for Project Services (UNOPS), which is responsible for collecting and compiling United Nations system-wide procurement.

2. The 2009 report analyses procurement from developing countries and countries with economies in transition, and examines United Nations system performance, in response to resolution 57/279 on procurement reform, in which the General Assembly encouraged United Nations organizations to increase opportunities for vendors in developing countries and countries with economies in transition. Significant progress has been made towards achieving that objective (see figures 3-8, below).

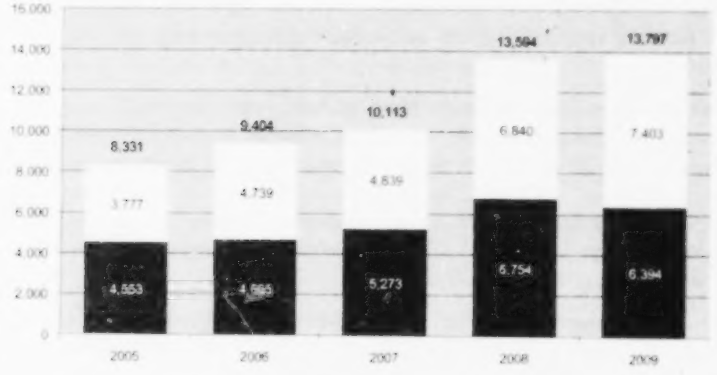
3. In addition, the 2009 report looks at procurement by United Nations organizations from vendors that support the Global Compact. The Compact measures engagement by the United Nations system with companies that take corporate social responsibility seriously, an increasingly important consideration in the global marketplace. While United Nations organizations give no preferential treatment to Compact signatories, the volume of procurement with registered Global Compact vendors shows an increase of 4 per cent over the period 2006-2009.

4. The 2009 statistical report compiles information supplied by 33 United Nations organizations. The Economic Commission for Europe and the United Nations Conference on Trade and Development as well as the Secretariat Department of Peacekeeping Operations submitted their data via the United Nations Office at Geneva and the United Nations Secretariat Procurement Division, respectively. UNOPS relies entirely on the cooperation of the reporting entities. In general, response rates were satisfactory, and data quality has improved due to better reporting tools. Three United Nations entities did not provide data for 2009.

5. Data are reported on goods, based on country of supplier, and on services, depending on the location of contractors' head office. Procurement orders and service contracts are reported by contract amount rather than by expenditures incurred. Most United Nations entities are currently unable to report data based on the country of origin of goods, or on actual expenditures.

6. The 2009 statistical report features an annual thematic supplement that focuses on current issues in procurement. For 2009, the focus of the supplement is on emerging issues relating to procurement from developing countries. The supplement provides an overview of the international debate on the subject, as well as case studies and contributions from practitioners and experts.

Figure 1
Total procurement of goods and services, 2005-2009
(in millions of dollars)

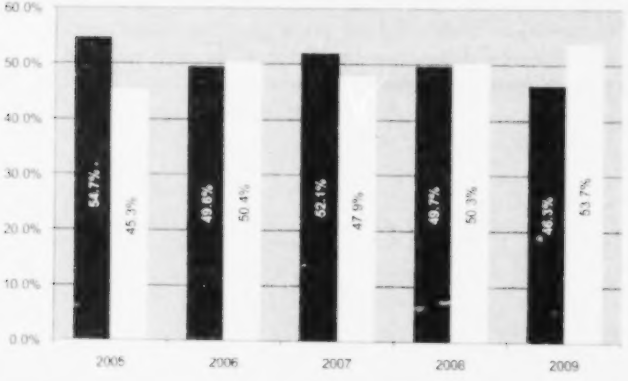


II. Total procurement of goods and services for operational activities of the United Nations system

7. The overall procurement volume (goods and services combined) of United Nations organizations during 2009 increased to $13.8 billion, from $13.6 billion in 2008 — a gain of 1.5 percentage points. The total procurement of goods went down by $360 million, a reduction of 5.3 percentage points while procurement of services grew by $563 million, an increase of 8.2 percentage points. Between 2005 and 2009, United Nations procurement volume increased from $8.3 billion to $13.8 billion, primarily attributable to a $3.6 billion growth in the procurement of services in the same period.

8. From 2005 to 2009, United Nations system procurement of services rose as a share of total procurement, slightly overtaking goods for the first time in 2006 and again in 2008, increasing even more in 2009. In 2009, the share of services exceeded that of goods by 7.3 per cent compared to just 0.6 per cent in 2008.

Figure 2
Proportion of goods and services procured, 2005-2009



III. Top 10 countries of supply to the United Nations system in 2009

9. The percentage share of total goods and services procured from the top 10 countries of supply to the United Nations system saw a decreasing trend between 2004 and 2006 thereby broadening the geographical spread of United Nations procurement. This positive trend reversed between 2006 and 2009 (see figure 3). During this period, the percentage share increased by 12 per cent; the 2009 level of 46 per cent is, however, only 1 per cent lower than the level recorded in 2004.

10. The 10 major countries to supply United Nations organizations in 2009 included three developing countries — India, the Sudan and Afghanistan. India has featured in this list since 2000, and in 2009 was the third largest supplier to the United Nations system, with a 4.9 per cent share of total United Nations procurement volume. Procurement from India includes pharmaceuticals, medical equipment and vaccines purchased primarily by the United Nations Children's Fund. Procurement from Afghanistan consisted primarily of construction services executed through the medium of national contractors by UNDP and UNOPS. Procurement from the Sudan largely consisted of construction and transport services as well as fuel oils procured by the United Nations Procurement Division and the World Food Programme.

Figure 3

Percentage share of total procurement volume of the top 10 countries to supply the United Nations system

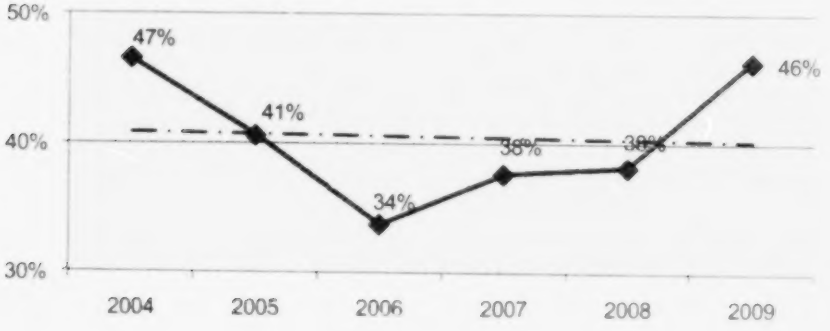


Table 1
Top 10 countries supplying United Nations operations in 2009
(in millions of dollars)

Countries	*Goods*	*Services*	*Total*	*Percentage of total*
United States of America	358.7	1,375.3	1,734.0	12.6%
Switzerland	564.4	279.4	843.8	6.1%
India	618.5	58.2	676.7	4.9%
Sudan	151.2	490.4	641.7	4.7%
Russian Federation	32.5	430.7	463.2	3.4%
Afghanistan	63.5	372.5	436.0	3.2%
United Kingdom	266.8	144.5	411.3	3.0%
France	348.9	59.1	408.1	3.0%
Italy	232.2	160.0	392.2	2.8%
Belgium	335.5	52.7	388.1	2.8%
Top 10 Total	**2,972.2**	**3,422.8**	**6,395.0**	**46.4%**
Grand Total	**6,394.1**	**7,403.0**	**13,797.2**	**100.0%**

IV. Procurement by United Nations organizations in 2008-2009

11. The following table lists the procurement volume of individual United Nations organizations in 2008 and 2009. Data are presented by the percentage share from developing countries and those with economies in transition. Although the increase of the total procurement volume from 2008 to 2009 was minor, 21 of the 33 reporting United Nations organizations increased their procurement volume over the previous year. The United Nations Procurement Division and UNICEF recorded the largest volume increases, both increasing their volume by some $300 million.

Table 2
Procurement by United Nations organizations in 2008-2009
(in millions of dollars)

	2008				*2009*			
Agency	*Goods*	*Services*	*Total*	*(%)*	*Goods*	*Services*	*Total*	*(%)*
ESCAP	2.14	5.16	7.30	96.12%	6.20	7.74	13.94	81.77%
ESCWA	1.31	1.70	3.01	78.33%	1.77	1.17	2.95	69.82%
ECE	Data included in UNOG figures				Data included in UNOG figures			
ECLAC	1.31	4.51	5.81	90.13%	3.05	5.20	8.24	83.86%
FAO	72.73	35.83	108.57	45.86%	89.12	44.50	133.62	43.41%
IAEA	63.63	36.28	99.91	17.36%	87.60	48.23	135.84	13.26%
IFAD	3.94	27.09	31.02	1.57%	1.69	45.61	47.30	8.70%
ILO	15.17	38.69	53.86	59.06%	8.26	76.90	85.16	41.53%
INSTRAW	0.06	0.07	0.13	100.00%	Data not submitted			

	2008				2009			
Agency	*Goods*	*Services*	*Total*	*(%)*	*Goods*	*Services*	*Total*	*(%)*
ITC	0.47	3.60	4.07	22.18%	1.37	3.92	5.29	6.97%
ITU	Data not submitted				Data not submitted			
OPCW	5.41	7.74	13.15	0.43%	2.59	4.94	7.53	0.37%
PAHO	376.66		376.66	31.54%	384.90		384.90	12.34%
UNCTAD	0.86	1.98	2.83	93.96%	Data included in UNOG figures			
UNDP	724.46	2,135.31	2,859.77	80.96%	610.02	2,000.91	2,610.93	79.89%
ECA	1.76		1.76	29.42%	7.16		9.41	47.22%
UNESCO	114.84	146.35	261.19	37.54%	58.70	126.97	185.67	33.39%
UN/DPKO	Data included in UN/PD figures				Data included in UN/PD figures			
UNFPA	138.05	114.87	252.92	39.22%	131.60	226.33	357.93	60.79%
UNHCR	206.75	159.35	366.10	71.51%	239.53	167.00	406.53	68.32%
UNICEF	1,540.48	0.00	1,540.48	42.25%	1,829.12	0.00	1,829.12	40.46%
UNIDO	25.52	28.37	53.89	45.16%	16.91	69.56	86.47	40.13%
UN/PD	1,345.87	1,826.40	3,172.27	33.83%	1,076.38	2,412.04	3,488.42	28.71%
UNOG	12.49	51.92	64.41	2.25%	21.48	82.78	104.25	1.31%
UNON	Data not submitted				12.54	23.15	35.70	52.48%
UNOPS	358.90	503.95	862.85	71.69%	442.68	428.80	871.48	81.69%
UNOV	5.47	10.88	16.34	9.79%	8.27	8.66	16.93	16.68%
UNRWA	150.82	54.49	205.31	85.68%	168.35	96.92	265.27	78.99%
UNU	0.35	1.80	2.16	48.07%	0.04	1.13	1.17	11.20%
UNV	0.40	10.63	11.03	1.10%	0.45	11.25	11.70	1.12%
UPU	1.83		1.83	73.95%	0.37		0.37	56.58%
WFP	1,579.55	1,484.37	3,063.92	46.00%	1,180.01	1,388.61	2,568.62	78.34%
WHO	Data not submitted due to ERP implementation				Data not submitted due to ERP implementation			
WIPO		138.24	138.24	1.62%		109.50	109.50	2.46%
WMO	2.92	5.68	8.59	5.26%	3.57	4.44	8.01	5.52%
WTO	0.17	4.67	4.84	0.00%	0.40	4.52	4.92	8.98%
Total	**6,754.33**	**6,839.93**	**13,594.26**	**51.29%**	**6,394.14**	**7,400.78**	**13,797.17**	**54.91%**

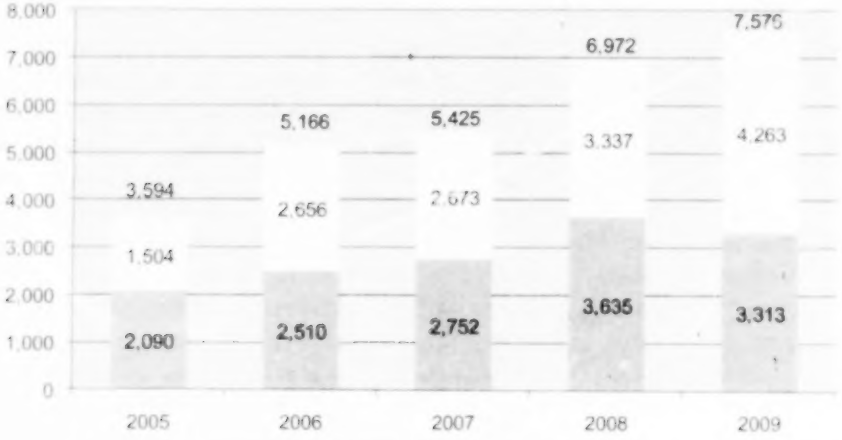
V. Procurement from developing countries and countries with economies in transition

12. The General Assembly in its resolution 57/279 on procurement reform (specifically paragraph 6) encouraged United Nations organizations to increase sourcing opportunities for suppliers from developing countries and countries with economies in transition. The General Assembly in its resolution 61/246 (specifically paragraph 24), reiterated this request. In response, United Nations organizations attempted to place more orders with suppliers from these countries. The growth of such orders has more than doubled in dollar terms from 2005 to 2009, (see in figure 4.

Figure 4

United Nations procurement from developing countries and countries with economies in transition, 2005-2009

(in millions of dollars)

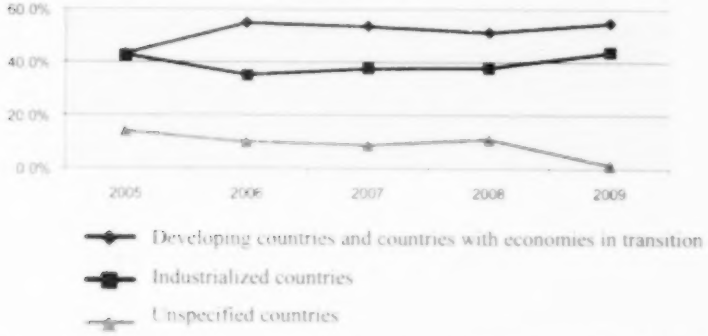


13. In 2009 procurement from developing countries and countries with economies in transition increased by almost $1 billion more than in 2008, further building upon the $1.5 billion increase from 2007 to 2008. Of note is the fact that procurement from developing countries and countries with economies in transition has increased from 51.3 per cent in 2008 to 54.9 per cent of total United Nations procurement volume in 2009 while procurement from industrialized countries increased from 37.9 per cent in 2008 to 43.9 per cent in 2009. Procurement from unspecified countries decreased from $1.4 billion in 2008 to $0.15 billion in 2009. Countries remain unspecified in cases where organizations cannot attribute the origin of the supplier in their management information systems. This substantial decrease is due to WFP now being able to provide the origin of transportation services, which in previous years accounted for up to $1.2 billion in procurement from unspecified countries.

Figure 5

United Nations procurement from developing countries and countries with economies in transition, 2004-2009

(percentage of total United Nations procurement)



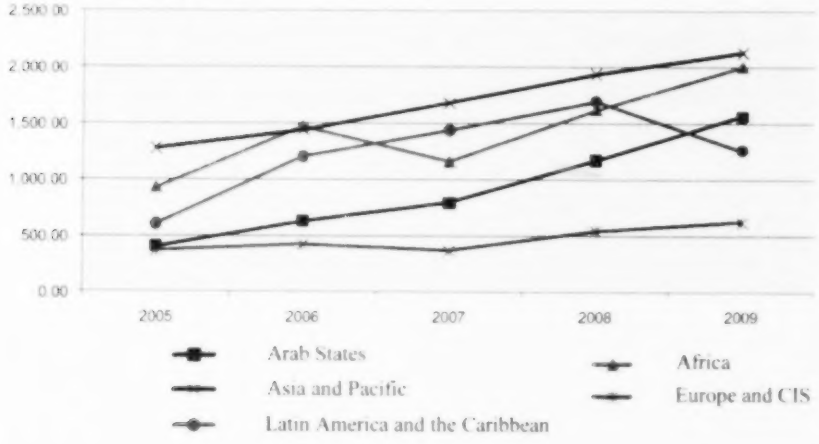
VI. Procurement from developing countries and countries with economies in transition, by region

14. An analysis of United Nations procurement from developing countries and countries with economies in transition by region, since 2005, shows that all regions except Latin America and the Caribbean States experienced growth in their share of United Nations organization procurement. Procurement from Latin America and the Caribbean States decreased by $441 million from 2008 to 2009. While Africa experienced rapid growth in procurement business with the United Nations from 2005 to 2006, its share declined in 2007 but has since increased by $478.9 million in 2008 and by a further $382 million in 2009. The Arab, Asia and Pacific and Europe and the Commonwealth of Independent States regions have enjoyed steady growth in the period from 2005 to 2009.

Figure 6

United Nations procurement from developing countries and countries with economies in transition by region, 2005-2009

(in millions of dollars)

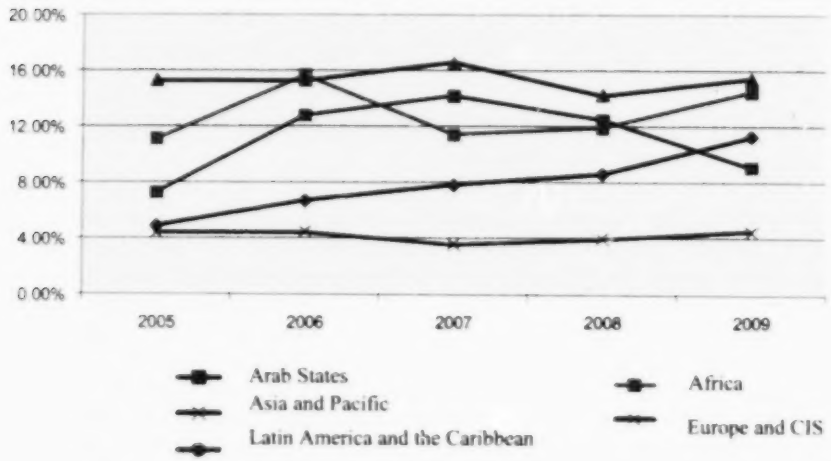


15. Regional data on percentage share of United Nations procurement from developing countries and countries with economies in transition show that all regions except the Latin American and Caribbean States have seen an upward trend in procurement business. The percentage share of United Nations procurement from the Latin American and Caribbean States has decreased from 2007 to 2009 by 5 percentage points. The Asia and Pacific region experienced a decrease in procurement share from 2007 to 2008 but recovered by 1.2 percentage points in 2009.

Figure 7

United Nations procurement from developing countries and countries with economies in transition by region, 2005-2008

(percentage of total United Nations procurement)

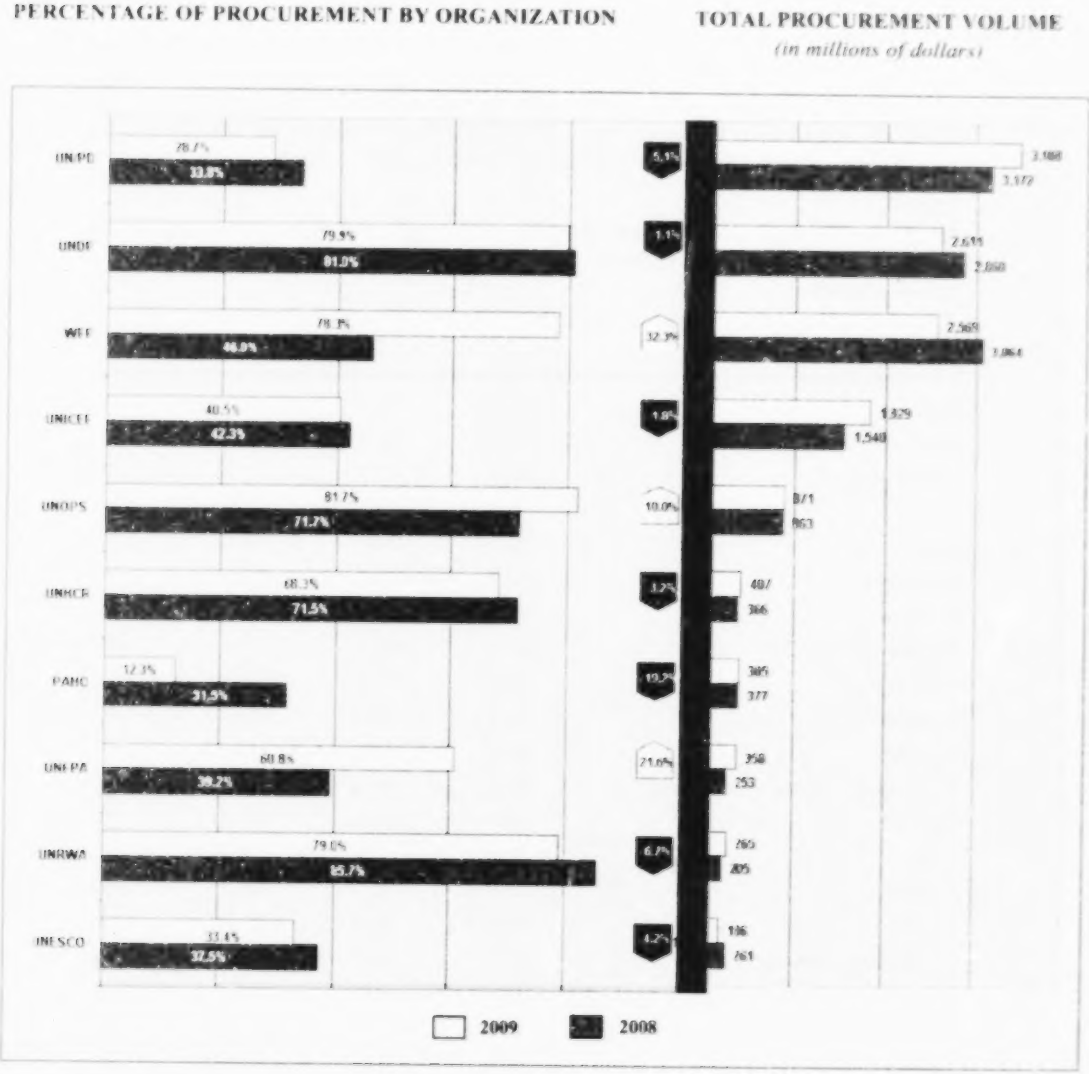


VII. Procurement from developing countries and countries with economies in transition, by top 10 United Nations organizations

16. Figure 8 presents percentage of procurement volume by the 10 largest United Nations organizations (accounting for 94 per cent of total procurement) from developing countries and countries with economies in transition in 2009, as well as the percentage of change compared with 2008. Organizations are listed in descending order by total volume, detailed in the section to the right in figure 8.

Figure 8

Top ten United Nations organization percentage of procurement from developing countries and countries with economies in transition, 2008-2009



VIII. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2009

17. In total, procurement of goods and services from the top 20 developing countries and countries with economies in transition represents 34 per cent of overall United Nations procurement volume, an increase of 2.1 percentage points compared to 2008. For a detailed overview of procurement volume trends, categories of goods and services procured, as well as United Nations organizations shares for each of the countries listed in table 3, please refer to the complete 2009 Annual Statistical Report on United Nations Procurement.

Table 3

Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2009

(in millions of dollars)

Countries	*Goods*	*Services*	*Total*	*Percentage of total*
India	618.5	58.2	676.7	4.9%
Sudan	151.2	490.4	641.7	4.7%
Afghanistan	63.5	372.5	436.0	3.2%
Kenya	76.5	223.5	300.0	2.2%
Peru	163.8	126.6	290.4	2.1%
South Africa	132.2	125.7	257.9	1.9%
Ethiopia	68.4	125.3	193.7	1.4%
Pakistan	116.7	68.4	185.1	1.3%
Panama	68.0	111.0	179.1	1.3%
Ukraine	86.5	87.1	173.6	1.3%
Argentina	86.6	84.0	170.6	1.2%
Democratic Republic of the Congo	66.0	99.8	165.8	1.2%
Jordan	25.8	123.9	149.6	1.1%
China	91.8	39.8	131.6	1.0%
Lebanon	38.9	90.2	129.1	0.9%
Uganda	72.0	56.4	128.4	0.9%
United Arab Emirates	85.7	42.4	128.1	0.9%
Brazil	30.4	94.7	125.1	0.9%
Turkey	84.3	31.0	115.3	0.8%
Indonesia	59.9	54.4	114.3	0.8%
Top 20	**2,186.7**	**2,505.4**	**4,692.1**	**34.0%**
Grand Total	**6,394.1**	**7,403.0**	**13,797.2**	**100.0%**